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CITY OF VANCOUVER
SPECIAL COUNCIL MEETING

A Special Meeting of the Council of the City of Vancouver was held on Thursday, August 28, 1975, in the No. 1 Committee Room, commencing at 3:15 p.m.

PRESENT: Mayor Phillips
Aldermen Bird, Bowers, Boyce, Cowie, Harcourt,
Kennedy, Marzari, Rankin, Sweeney and
Volrich

1. Commencement of Construction,
Phase I, Area 6, False Creek

The Council had for consideration the following report of the City Manager under date of August 27, 1975, respecting commencement of construction, Phase I, Area 6, False Creek:

" Background

Vancouver City Council at meeting on 29th July, 1975 adopted the following resolution:

"FURTHER THAT approval be given for the sponsors to proceed with construction prior to execution of the leases subject to:

- (a) the City being satisfied the subdivision plan is acceptable in principle to the Land Registry Office.
- (b) each of the sponsors have executed an agreement to lease.
- (c) financing for the individual projects being confirmed before construction is commenced.
- (d) the Director of Legal Services taking steps necessary to protect the interests of the City."

Subsequently on 12th August, 1975, Council amended item (b) of said resolution as follows:

- (b) each of the sponsors having executed an agreement to lease, OR
each of the sponsors having filed with the City an appropriate letter of intent to lease.

(Underlining denotes amendment)

Comments on each of these conditions are as follows:

(a) Subdivision Plan

The subdivision plan has been signed by the approving officer of the City of Vancouver and by the Director of Legal Services for the city. Before being deposited with the Land Registry office, it requires the signature of the C. P. R., which in turn, requires agreement between the City and C. P. R. with respect to land exchange to accommodate relocation of the C. P. R. rail line. This agreement was approved by Vancouver City Council on 26th of August, 1975 and is now being processed by the C. P. R., the expectation being that they will approve and sign the Subdivision Plan in early September. There is a chance that the C. P. R. officials will have to obtain the approval of their Board of Directors (the next meeting of the Board being 15th October, 1975), in which case the agreement and in turn the Subdivision Plan could not be signed until after that Board resolution is received. We know of no obstacles to the signing of the Subdivision Plan, its deposit with Land Registry, and its ultimate approval.

(b) Ground Leases

All sponsors have filed with the City an appropriate letter of intent to lease.

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Commencement of Construction, Phase I,
Area 6, False Creek (continued)

(c) Financing

With respect to the market and the controlled leasehold condominium units, the Bank of Montreal knowing that the subdivision plan is not yet registered, have set aside funds for the mortgage financing for these developments and stated that these funds will be used for these purposes. The Bank is not in a position to actually commit these funds until the cash flow estimates have been made, but we do not see any impediments to this that cannot be dealt with in due course. In light of this mortgage financing being available and in light of our discussions with the Bank, we anticipate that the Bank will provide the necessary interim financing.

Regarding the non-market dwellings, CMHC and the Provincial Government have earmarked certain funds but to date have not made commitments. However, CMHC have encouraged us to complete our applications with respect to both plans and financing and to be ready to start construction in September/October in the expectation that satisfactory financing arrangements will be made.

(d) Protection of the interest of the City

It is recognized there is some risk in authorizing the Sponsors to proceed with construction before the Subdivision plan has been completed and the ground leases executed. If the subdivision plan is not approved by the C. P. R., it will be necessary for the City to modify the plan which can mean a delay in executing the leases and completing the financing. Allowing sponsors to enter upon the lands before the ground lease is executed could weaken the bargaining position, the covenants under the ground leases which would normally protect the City will not be available during that period.

It is also brought to the attention of Council, that the Sponsors who have a considerable financial interest in the construction work may require that the City give certain assurances - until each Sponsor is approached in this respect, any such requirements are unknown. Therefore, it may be necessary to refer this matter again to Council.

Each sponsor will be required to take out adequate public liability insurance protecting both the sponsor and the City, prior to the sponsors entry upon City lands (this is a requirement of the ground leases).

Other points which should be brought to the attention of Council are as follows:

1. Development and Building Permits are being processed, However, under normal approval procedures, the timetable probably cannot be met. Therefore a task force committee is being set up to expedite the process, the intention being that construction of foundations will commence early in September.
2. All sponsors with the exception of two (University Non-Profit Building Society and Lower Mainland Society for Residences for the Physically Handicapped) have made commitments with a contractor for construction within the budget and within the timetable.
3. The sponsors have already spent considerable sums of money (in the hundreds of thousands of dollars) on design fees and advance purchase of materials.
4. The timetable calls for substantial completion of construction by June, 1976 which is related to the expiry of Construction Labour agreements. To hold the prices, a start must be made soon. A substantial delay will mean that it will not be possible to meet our cost objectives and therefore, our income objectives.
5. CMHC have appointed a senior official as a co-ordinator to process the applications to CMHC so as to achieve the objectives outlined in our timetable.

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Commencement of Construction, Phase I,
Area 6, False Creek (continued)

Recommendation

It is recommended that since there are no impediments to permitting the Sponsors to enter upon the lands in Area 6 and commence construction in accordance with their letters of intent filed with the City, the conditions contained in the resolution of Council dated 29th July, 1975 and 12th August, 1975 respectively be declared to have been substantially complied with and that approval be given to the Sponsors to proceed with construction. "

MOVED by Ald. Rankin,
SECONDED by Ald. Bowers,
THAT the recommendation of the City Manager contained in the foregoing report be approved.

- CARRIED


(Aldermen Bird, Boyce, Kennedy & Sweeney opposed)

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The Council adjourned at approximately 3:40 p.m.

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The foregoing are Minutes of the Special Council meeting of August 28, 1975, adopted on September 16, 1975.



MAYOR



CITY CLERK